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GEORGE O. SAILE & ASSOCIATES 28 DAVIS AVENUE POUGHKEEPSIE, NY 12603			RHODE JR, ROBERT E	
			ART UNIT	PAPER NUMBER
			3625	

DATE MAILED: 04/22/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)
	09/579,789	REIFEL ET AL.
	Examiner Rob Rhode	Art Unit 3625

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 02 March 2004.
 2a) This action is FINAL. 2b) This action is non-final.
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-96 is/are pending in the application.
 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
 5) Claim(s) _____ is/are allowed.
 6) Claim(s) 1-96 is/are rejected.
 7) Claim(s) _____ is/are objected to.
 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 3-02-04 has been entered.

Response to Amendment

Applicant amendment of 3-2-04 amended claims 1 – 10, 25 – 27, 32, 35 – 36, 40, 42, 43, 45, 48 – 49 and 51 - 52 as well as traversed rejections of Claims 1 - 95.

Currently, claims 1- 95 are pending.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1, 4, 5, 7, 9, 10, 25 – 27, 32, 35, 36, 40, 42, 43, 46, 48, 49 and 52 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In Claim 8, the phrase "contractual interface " is a relative word, which

renders the claims indefinite. The phrase " contractual interface " is not defined by the claim(s), the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention. For examination purposes the phrase "contractual interface" will be treated as a contract, which can be a rental agreement - when the camera is rented at Kiosk in a retail store.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 57 and 77 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential structural cooperative relationships of elements, such omission amounting to a gap between the necessary structural connections. See MPEP § 2172.01. The omitted structural cooperative relationships are: a structural element that carries out the offering.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 69 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant

regards as the invention. In Claim 69, it is not clear from the current wording regarding the meets and bounds of the claim. For examination purposes, the claim is interpreted as conveying advertising information from specific advertisers, which the consumer would have an interest.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

In Claims 1 - 56, the claimed invention is directed to non-statutory subject matter. The claim is directed to a process that does nothing more than manipulate an abstract idea. There is no practical application in the technological arts. See *In re Musgrave*, 167 USPQ 280 (CCPA 1970) and *In re Johnston*, 183 USPQ 172 (CCPA 1974). For example in claim 1, the invention in the body of the claim does not recite the use of nor incorporate any technology in carrying out the recited method step and therefore is not statutory. If the invention in the body of the claim is not tied to the technological arts, environment or machine, the claim is not statutory. See *Ex parte Bowman*, 61 USPQ2d 1665, 1671 (BD. Pat. App. & Inter. 2001) [Unpublished] and note MPEP 2106 IV 2(b). While Bowman is not precedential, it has been cited for its analysis.

Claim Rejections - 35 USC § 103

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claims 1, 7 – 11, 20 – 28, 30 - 39, 42 - 44, 46 – 47, 50 – 52, 55 - 57 63 – 65, 67, 71 – 73, 76 – 77, 82 – 88 and 91 – 93 are rejected under 35 U.S.C. 103(a) as being unpatentable over Zander (US 5,963,752) in view of Segal (US 6,167,251) and further in view of Enomoto (US 5,974,401).

Regarding claims 1 and related claims 10, 35 and 42, Zander teaches a method, system and computer medium for – providing cameras to consumers in exchange for a commitment (see at least Abstract and Col 5, line 46 - 50), comprising the steps of creating a contractual interface to couple a camera provider with a consumer, to provide said consumer with at least one camera via said contractual interface in exchange for said commitment, wherein said contractual interface functions by terms for: (see at least Col 5, lines 46 – 64). Please note Zander does not specifically refer to a contract. However, Zander does state a rental option (Col 5, line 49). In that regard, it is old and well known to one of ordinary skill in the art at the time of the invention that to rent a camera, the merchant is going to require a rental agreement (i.e. contractual relationship via a contractual interface), which will stipulate a return date as well as an amount for the rental, which includes late return fees. It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided Zander with a

contractual interface such as rental agreement to couple the camera provider with the consumer.

Regarding claim 11 and related claims 47, 56, 68 and 88, Zander teaches a method wherein said personal/user information comprises; consumer name consumer identification code; mailing address; billing address; e-mail address; other contact information such as phone numbers and fax numbers; billing information including credit card information; preferred print image provider; reprint / enlargement size preference; reprint / enlargement size preference; finish preference; camera brand, type, and specifications; internet service type and connection speed; contract data picture development and reproduction counters number of prints remaining to meet contract commitment; security settings unlocking keys, activation code; and usage pattern information (Col 1, line 55). Please note that Zander is silent regarding all the different fields that can be available for filling out in a database application for a user/consumer – as claimed. However and as noted by Zander, information is entered by the retailer (Col 1, line 55), which would have to be database in order to retain the necessary information regarding the customer and the rental agreement. Moreover, a database can have as many fields as necessary for filling in information required to service the customer agreement and this technique of multiple fields available for entering information in databases as has been old and well known in the data processing art for years. In that regard, it would have been obvious to one of ordinary skill in the art at the time of the invention to provide the method of Zander with these capabilities such as

appropriate fields and storing in a database in order to capture the necessary information deemed important/significant to the camera provider.

Regarding claim 31 - Please note, Zander is silent to the business entity providing the camera. However, it is old and well known that the provider could have been a print house as well as the camera manufacturer and is reflected in the business entity assignee for the Zander patent. Therefore, it would have been obvious to one of ordinary skill in the art to have either a print house or a manufacturer to provide the camera as part of the incentive program and thereby ensure continued use and revenue for the offer.

Regarding claim 36 (Amended), Zander teaches a method, wherein the camera is rented via a contractual interface at an automated kiosk (Figure 1) and (37) wherein the user is charged an additional fee if the camera is not returned within a predetermined amount of time (Col 5, line 49). Please note Zander is silent regarding charging additional fee for late returns of the camera. However, Zander does describe, "renting" a camera and it is old and well known that a consumer is charged an additional fee if the rented item is returned late. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to have the rental agreement include a late fee charge – in order to ensure timely returns.

Regarding claim 38, Zander is silent regarding a method, wherein the computer is located remotely from where the camera was rented (Col 6, lines 2 – 5).

Regarding claim 43, Zander teaches a method of providing via said contractual interface a camera to a user (see at least Abstract and Col 5, lines 46 – 49). In addition and regarding claim 46 and related claim 87, Zander teaches a method further comprising the steps of transferring personal information from said consumer to said camera provider; and retaining said personal information within a consumer database (see at least Col 1, line 55).

Regarding claim 44, Zander is silent regarding selling the camera to the user at the end of a specific time period. However, Zander does address purchasing and renting (see Col 2, line 7), which teaches a method of providing a camera to a user, further comprising selling the camera to the user after a first period, which could have included selling the rented camera to the consumer/user. It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the method of Zander with the ability for the consumer to buy the camera at the end of the rental/incentive program time period and thereby ensure completion of the agreement.

Regarding claim 67, Zander teaches a system further comprising a consumer database in communication with the camera provider retaining personal information transferred from said consumer to said camera provider (Col 1, line 55).

Zander teaches key features of the claimed invention.

While Zander does disclose a camera provider providing a camera, the reference however does not specifically disclose and teach wherein said contractual relationship terms for: offering by said camera provider via said contractual interface to provide said camera for a commitment by the consumer to purchase at least a first amount of image reproductions via said contractual interface within a selected amount of time, committing by said consumer to purchase at least the first amount of image reproductions via said contractual interface within the selected amount of time; determining via said contractual interface that the consumer has at least one of a plurality of financial instruments; providing the consumer via said contractual interface with the camera, in response to the consumer entering into the commitment and determining via said contractual interface that said consumer has at least one of a plurality financial instruments; and restricting access to images acquired from the camera to prevent the consumer from obtaining reproductions of the images made from a source not associated with the camera provider.

On the other hand, Segal teaches a method wherein said contractual relationship terms for: offering by said camera provider to provide said camera for a commitment by the consumer to purchase at least a first amount of image reproductions within a selected amount of time, and committing by said consumer to purchase at least the first amount

of image reproductions within the selected amount of time (see at least Col 1, lines 16 – 58 and Col 12, lines 25 – 44). Please note that Segal does not disclose a camera, rather a cellular phone. However, Segal does disclose a method for offering a physical device such as cell phone or could be a camera for a commitment to purchase at least a first amount of image reproductions or in this case air time and committing by said consumer to purchase at least the first amount of image reproductions with the selected amount of time. Furthermore, online methods and systems for offering a physical device such as a camera that a kind/type including such specifics as “camera” are given little patentable weight. The phrase(s) and or word(s) are given little patentable weight because the claim language limitation is considered to be non-functional descriptive material, which does not patentably distinguish the applicant’s invention from Segal. Thereby, the non-fictional descriptive material is directed only to the product – a camera and which could also be a cellular phone and therefore does not affect either the structure or method/process of Segal, which leaves the method and system unchanged. Additionally, the applicant stated in the amendment that “the major features of the invention, which is a novel system and method – “where a camera provider offers to provide cameras, such as digital cameras or film cameras, to consumers free or at a discount cost in exchange for the purchase of certain number of image reproductions or prints” is old and well known. For example, Segal does address all the above method steps in terms of incentivizing a consumer to buy a product – which they receive upfront for free or reduced fee, if they commit to a contractual arrangement to purchase an additional number of items/photos or minutes (see at least Segal Col 1, lines 55 – 58

and Col 9, lines 13 - 56). Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the method and system disclosed by Segal to include offering a digital camera to a consumer if they commit to purchase a specific number of photographs. In this manner the consumer's satisfaction will be increased due to obtaining a camera, which will increase the probability that they will recommend the service to others and take more photographs. In addition, the camera maker will increase the probability of distributing more cameras as well as the developer increasing their business as well. Furthermore, Segal teaches a method, system and medium of determining via said contractual interface that the consumer has at least one of a plurality of financial instruments (Abstract, Col 5, lines 16 – 32); providing the consumer via said contractual interface with the camera, in response to the consumer entering into the commitment and determining via said contractual interface that said consumer has at least one of a plurality financial instruments (Col 5, lines 16 – 32); and restricting access to images acquired from the camera to prevent the consumer from obtaining reproductions of the images made from a source not associated with the camera provider (Col 1, lines 16 – 24 and lines 40 – 43). Please note and as indicated above, Segal does not specifically address cameras. Segal does however address all the above method steps in terms of limiting access of the device/phone to only the offer's service in order to prevent the consumer from being able to use any other service for airtime. In this manner, it would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the method of Segal with a capability to restrict access to photographs to ensure the consumer can only use the business entity,

which supplied the device/camera at a reduced fee. Therefore, the camera maker will be assured that they will at least recoup their initial investment by limiting access of the consumer to just their service. Moreover:

regarding claim 7 and related claims 63 and 83, Segal teaches a method, wherein access to said images taken by the camera is restricted by the camera until the consumer has fulfilled the commitment and an unlocking code has been received via the contractual interface by the camera (Abstract and Col 2, lines 63 – 67).

regarding claim 9 and related claims 65 and 85, Segal teaches a method, wherein the camera is provided via said contractual interface, at least partly, in response to an amount paid by the consumer for the camera, wherein the amount is related to the number of reproductions the consumer committed to purchase via said contractual interface (Col 1, lines 17 – 24 and lines 29 – 32 and 46 – 56).

regarding claims 20, 21, 22, 24, 25, 33, 34, 50 and related claim 91, claims 51 – 52 and related claims 71, 72 and 73 as well as claims 92 - 93, the recitations that “wherein the type of camera provided is based at least in part on the extent of the commitment”, “wherein the first amount is a dollar amount”, “wherein the first amount is a quantity of image reproductions”, “wherein the commitment is to be fulfilled within a predetermined amount of time”, “fixing the price to the user of at least a first type of image reproduction provided via the contractual interface for at least the predetermined amount of time”,

"wherein the camera is provided with no initial cost or charge to the user", "wherein the camera is provided at a reduced cost to the user in exchange for the commitment", "where the camera manufacturer provides the camera at a discount in return for a commitment on the part of the distributor that the camera manufacturer will be paid said at least first amount", "wherein the Camera provider discounts the price of said camera for committing by said consumer of the purchase of at least the first amount of image reproductions", "wherein the camera provider leases via said contractual interface said camera for committing by said consumer of the purchase of at least the first", "wherein the Camera provider provides via said contractual interface said camera at not cost for committing by said consumer of the purchase of at least the first amount of image reductions", "wherein the camera provider discounts the price of said camera for committing by said consumer of the purchase of at least the first amount of image reproductions", "wherein the camera provider leases said camera for committing by said consumer of the purchase of at least the first amount of image reproductions", "wherein the camera provider offers said camera at no cost for committing by said consumer of the purchase of art least the first amount of image reproductions" and wherein the camera provider leases said camera for committing by said consumer of the purchase of at least the first amount of image reproductions" as well as "wherein the camera provider said camera at no cost for committing by said consumer of the purchase of at least the first amount of image reproductions" such recitations are given little patentable weight because they impart no structural or functional specificity which

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serves to patentably distinguish the instant invention from the other "commitments" already disclosed by Segal.

Please note and regarding claims 32, Segal does not specifically mention a distributor providing a manufacturer a fee/markup based on image reproduction sales. However, it is old and well known for distributors and manufacturers to establish contract agreements based on each marketplace's most efficient channels of distribution - to best service the consumer(s) and to ensure product sales for the purpose of mutual revenue generation. Therefore it would be obvious for a distributor and/or manufacturer to establish such a contract in order to increase current and future sales for both parties and share profits.

Please note and regarding claim 39(Original), Segal is silent regarding "wherein an additional fee is charged for orders costing more than the first fee". It is old and well known that the customer who increases their order such as having additional prints made or additional minutes – will pay more fee when the order is outside or in addition to a previous order and/or agreement. In that regard, it would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the method of Segal with capability as with any commercial transaction to increase fees on orders as warranted.

It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the method and system of Zander with the method and system of Segal wherein said contractual relationship terms for: offering by said camera provider to provide said camera for a commitment by the consumer to purchase at least a first amount of image reproductions within a selected amount of time, and committing by said consumer to purchase at least the first amount of image reproductions within the selected amount of time; and restricting access to images acquired from the camera to prevent the consumer from obtaining reproductions of the images made from a source not associated with the camera provider – in order to provide a device such as camera for the consumer agreeing to purchase a first amount of images as well as limiting the consumer access. Zander discloses creating a contractual interface to couple a camera/device with a consumer (Col 5, line 46 - 50). Segal discloses offering a camera/device to a consumer for a commitment to purchase an initial quantity of product within a given amount of time as well as restricting access (Col 1, lines 16 – 58 and Col 12, lines 25 – 44). In that regard, one of ordinary skill in the art would have been motivated to combine the method and system of Zander with the method and system of Segal to enable offering a camera to consumer for a commitment of purchasing a set amount of product such as images and restricting access as required. In that regard, the provider will be assured of recovering at least their cost, which ensure that they can continue the offer for consumers. Moreover, customer satisfaction will be increased because the consumer is able to obtain a camera at a reduced cost as a part of the normal process of having the images developed. Indeed, this increased

customer satisfaction will increase the probability too - that the consumer will recommend the service at the site to others.

The combination of Zander and Segal substantially disclose and teach the applicant's invention.

However, the combination does not specifically disclose and teach transferring via the contractual interface from said consumer images acquired by said camera to an image processor. Nor does the combination specifically disclose and teach printing reproductions of at least one of the images having restricted access.

On the other hand, Enomoto teaches transferring images acquired by said camera to an image processor (see at least Abstract, Col 2, lines 10 – 31, Col 3, lines 21 – 30 and Figure 1) and printing reproductions of at least one of the images having restricted access (Col 7, lines 48 – 49). Moreover:

regarding claim 8 and related claims 64 and 84, Enomoto teaches a method, further comprising the step of receiving in association with at least one of said images with restricted access, at least one of ISO equivalency information, aperture setting information, and shutter speed information. Please note that Enomoto is silent regarding receiving in association with at least one of said images with restricted access, at least one of ISO equivalency information, aperture setting information, and shutter speed

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information. It is old and well-known for digital camera's to provide the capability to allow images to be displayed on the camera (please see Parulski US 6,573,927 B2) and to provide information about films and cameras when submitting a film order for photo processing, such as whether the camera is a 135 mm type, and it would have been obvious to one of ordinary skill to provide such camera with display capabilities as well as information such as ISO equivalency to aid in better print processing of an order or image reproduction by a photo processor and increase consumer satisfaction, which thereby will increase the probability that the consumer will return for additional purchases.

regarding claim 23, Enomoto teaches a method, further comprising: receiving user profile information; and storing at least a portion of the user profile information in the camera (see at least Abstract, Col 2, lines 10 – 31, Col 3, lines 21 – 30 and Figure 1).

regarding claim 26, Enomoto teaches a method, further comprising the step of receiving an order via said contractual interface for hard copy image reproductions, where the user places the order using a camera user interface (see at least Abstract, Col 2, lines 10 – 31, Col 3, lines 21 – 30 and Figure 1).

regarding claim 27, Enomoto teaches a method, further comprising the step of receiving an order via said contractual interface for hard copy image reproductions over a network (see at least Abstract, Col 2, lines 10 – 31, Col 3, lines 21 – 30 and Figure 1).

regarding claim 28, Enomoto teaches a method, further comprising the step of receiving over a network images taken with the camera and receiving camera setting information associated with the images (Abstract, Col 2, lines 10 – 31, Col 3, lines 21 – 30 and Figure 1). Please note that Enomoto discloses receiving information with the images via a network. Enomoto does not specifically refer to camera setting information. Please note, in online methods and systems for “receiving information” including such specifics as “camera setting” is given little patentable weight. The phrase(s) and or word(s) are given little patentable weight because the claim language limitation is considered to be non-functional descriptive material, which does not patentably distinguish the applicant’s invention from Enomoto. Thereby, the non-fictional descriptive material is directed only to the content of the “received order” (i.e. camera setting) and therefore does not affect either the structure or method/process of Enomoto, which leaves the method and system unchanged.

regarding claim 30, Enomoto teaches a method, further comprising the step of receiving a designation from the user as to which print house is to print images ordered by the user (see at least Abstract, Col 2, lines 10 – 31, Col 3, lines 21 – 30 and Figure 1).

regarding claim 55 and related claims 76 and 96, Enomoto teaches a method wherein said images acquired by said camera are retained in an image database of said image processor (Col 8, lines 19).

Regarding claims 57 and related claim 77, the system and medium claim are rejected using the same references and sections as claim 1.

It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the combination of Zander and Segal with the method, system and medium of Enomoto to enable transferring images acquired by said camera to an image processor as well as printing of images with restricting access – in order to provide an online developing service which only allows access to images as well as reproducibility of the images. The combination of Zander and Segal disclose a method and system for offering a camera to consumer for a commitment of purchasing a set amount of product such as images and restricting access as required. Enomoto discloses transferring of images to an image processor and printing reproductions of the images (Abstract, Col 2, lines 10 – 31, Col 3, lines 21 – 30 and Col 7, lines 48 – 49). Therefore, one of ordinary skill in the art would have been motivated to extend the combination of Zander and Segal with the method and system of Enomoto to have provided the capability of transferring of images to an image processor and printing reproductions of the images. In this manner, the consumer's convenience and ease of access as well as printing will be increased, thereby increasing their satisfaction. Moreover, the consumer as a result of their increased satisfaction will be more likely to use additional provided services as well as recommend the service to others. As importantly, the provider of the device/camera will be assured of at least recouping their investment.

Claims 2, 58 and 78 are rejected under 35 U.S.C. 103(a) as being unpatentable over the combination of Zander, Segal and Enomoto as applied to claims 1, 57 and 77 above, and further in view of Steinberg (US 5,862,218).

The combination of Zander, Segal and Enomoto substantially disclose and teach the applicant's invention.

However, the combination does not specifically disclose and teach a method, further comprising the step of granting access to images taken with the camera to be displayed on a camera display.

On the other hand and regarding claim 2 and related claims 58 and 78, Steinberg teaches a method further comprising the step of granting access to images taken with the camera to be displayed on a camera display (Col 2, lines 26 – 45).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the combination of Zander, Segal and Enomoto with the method of Steinberg to have enabled a method, further comprising the step of granting access to images taken with the camera to be displayed on a camera display – in order to control access to the images. The combination of Zander, Segal and Enomoto discloses a method and system for offering a camera to a consumer via a contractual interface,

which is the result of the consumer committing to a set number of purchases as well as restricting access a required and includes transferring and printing of the images. Therefore, one of ordinary skill in the art would have been motivated to extend the combination of Zander, Segal and Enomoto with the method and system of Steinberg to granting access to images taken with the camera and to be displayed on a camera display (Col 2, lines 26 – 45). Thereby, the camera provider can limit to specific individuals the use of the camera, which will ensure that images are associated with the appropriate individual.

Claims 3, 59 and 79 are rejected under 35 U.S.C. 103(a) as being unpatentable over the combination of Zander, Segal and Enomoto as applied to claims 1, 57 and 77 above, and further in view of Smith (US 5,926,218).

The combination of Zander, Segal and Enomoto substantially disclose and teach the applicant's invention.

However, the combination does not specifically disclose and teach a method, further comprising allowing low resolution versions of images taken with the camera to be transferred from the camera.

Regarding claims 3 and related claims 59 and 79, Smith teaches a method, further comprising the step of allowing low-resolution versions of images taken with the camera to be transferred from the camera (see at least Abstract and Col 3, lines 60 - 62).

It would have been obvious to one of ordinary skill in the art at the time of the invention have provided the combination of Zander, Segal and Enomoto with the method of Smith to have enabled transfer of low resolution versions of the images – in order to ensure that these will not serve for the customer as the final prints, due to lack of clarity. The combination of Zander, Segal and Enomoto discloses a method and system for offering a camera to a consumer via a contractual interface, which is the result of the consumer committing to a set number of purchases as well as restricting access as required and includes transferring and printing of the images. Therefore, one of ordinary skill in the art would have been motivated to extend the combination of Zander, Segal and Enomoto with the method and system of Smith to allowing low-resolution versions of images to be transferred from the camera. Therefore, the provider of the service can be assured that consumer will have to use their developing capabilities and thereby protect their investment(s).

Claims 4, 5, 60 – 61 and 80 - 81 are rejected under 35 U.S.C. 103(a) as being unpatentable over the combination of Zander, Segal and Enomoto as applied to claims 1, 57 and 77 above, and further in view of Bezos (US 6,029,141).

The combination of Zander, Segal and Enomoto substantially disclose and teach the applicant's invention.

However the combination of Zander, Segal and Enomoto does not specifically disclose and teach a method further comprising: receiving an order via said contractual interface for at least one image print from someone other than the consumer; and crediting via said contractual interface the consumer's commitment fulfillment based on the order and receiving an order for an image reproduction from someone other than the consumer, and providing the consumer a benefit based on the order.

On the other hand and regarding claim 4 and related claims 5, 60, 61, 80 and 81, Bezos teaches a method, further comprising: receiving an order via said contractual interface for at least one image print from someone other than the consumer; and crediting via said contractual interface the consumer's commitment fulfillment based on the order and receiving an order for an image reproduction from someone other than the consumer, and providing the consumer a benefit based on the order (see at least Abstract). Please note, methods and systems for "receiving an order" including such specifics as "for an image print" is given little patentable weight. The phrase(s) and or word(s) are given little patentable weight because the claim language limitation is considered to be non-functional descriptive material, which does not patentably distinguish the applicant's invention from Bezos. Thereby, the non-fictional descriptive material is directed only to

the content of the "received order" and therefore does not affect either the structure or method/process of Bezos, which leaves the method and system unchanged.

It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the combination of Zander, Segal and Enomoto with the method, system and medium of Bezos to have enable further comprising: receiving an order via said contractual interface for at least one image print from someone other than the consumer; and crediting via said contractual interface the consumer's commitment fulfillment based on the order and receiving an order for an image reproduction from someone other than the consumer, and providing the consumer a benefit based on the order– in order to provide a financial reward to the consumer for purchases by others. The combination of Zander, Segal and Enomoto discloses a method and system for offering a camera to a consumer via a contractual interface, which is the result of the consumer committing to a set number of purchases as well as restricting access as required and includes transferring and printing of the images. Therefore, one of ordinary skill in the art would have been motivated to extend the combination of Zander, Segal and Enomoto with the method and system of Bezos to receiving an order from someone other than the consumer and crediting the consumer for these purchases. In this manner, it would facilitate potential additional sales, which will benefit - with increased revenues all the channel partners offering this incentive program.

Claims 6, 19, 45, 62, 66, 82 and 86 rejected under 35 U.S.C. 103(a) as being unpatentable over the combination of Zander, Segal and Enomoto as applied to claims 1, 10, 57 and 77 above, and further in view of Steinberg (US 6,587,949 B1).

The combination of Zander, Segal and Enomoto substantially teach the applicant's invention.

However, the combination does not specifically disclose and teach a method, wherein the secured first image is received from a terminal to which the first image has been transferred from the camera; and wherein images taken by the camera are secured by the camera until the consumer has fulfilled the commitment and an unlocking code has been received by the camera; and wherein the secured first image is received from a terminal to which the first image has been transferred from the camera; and wherein images taken by the camera are secured by the camera until the consumer has fulfilled the commitment and an unlocking code has been received by the camera; and further comprising the step of encrypting by the camera of at least a first image captured by said camera to prevent the user from having prints of at least the first image from a source not associated with a provider of said camera -as well as wherein the image securing device encrypts said first image.

On the other hand and regarding claim 6 and related claims 62 and 82, Steinberg teaches a method, wherein at least one image is received from a terminal to which at

least one of said images has been transferred from the camera (Abstract and Figures 1 – 5).

Regarding claim 19 and related claims 45 and 86, Steinberg teaches a method, further comprising the step of encrypting by the camera of at least a first image captured by said camera to prevent the user from having prints of at least the first image from a source not associated with a provider of said camera (see at least Abstract and Col 2, lines 37 – 42).

Regarding claim 66, Steinberg teaches a system wherein the image-securing device encrypts said first image (see at least Abstract).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the combination of Zander, Segal and Enomoto with the method, system and medium of Steinberg to enable securing at least a first image taken with acquired camera to prevent the consumer from obtaining the first image made from a source not associated with the camera provider - in order to ensure that the entity offering the incentive will recoup their initial investment. The combination of Zander, Segal and Enomoto discloses a method and system for offering a camera to a consumer via a contractual interface, which is the result of the consumer committing to a set number of purchases as well as restricting access as required and includes transferring and printing of the images. Therefore, one of ordinary skill in the art would

have been motivated to extend the combination of Zander, Segal and Enomoto with the method and system of Steinberg wherein the image-securing device encrypts said first image. Therefore and without this ability to recoup the initial investment for the incentive program, the business entities will not be able to ensure themselves and other sponsors – such as a camera manufacturer, advertisers and/or a film producer of an ability to recoup their initial investment.

Claims 12 and 29 are rejected under 35 U.S.C. 103(a) as being unpatentable over the combination of Zander, Segal and Enomoto as applied to claims 10 and 11 above, and further in view of Frey (US 6,369,908).

The combination of Zander, Segal and Enomoto substantially disclose and teach the applicant's invention.

However, the combination does not specifically disclose and teach a method further comprising the step of selecting advertising to be presented to the user based at least in part on the camera usage information and further comprising the step of downloading advertisement into the camera and displaying the advertisement on a camera display as well as further comprising the step of providing advertising via said contractual interface to said consumer based on personal information.

On the other hand and regarding claim 12, Frey teaches a method further comprising the step of selecting advertising to be presented to the user based at least in part on the camera usage information (Abstract, Col 3, lines 31 – 49 and Col 5, lines 40 – 43).

Regarding claim 29, Frey teaches a method further comprising the step of downloading advertisement into the camera and displaying the advertisement on a camera display (Abstract, Col 3, lines 31 – 49 and Col 5, lines 40 – 43).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the combination of Zander, Enomoto and Segal with the method and system of Frey to have enabled a method further comprising the step of selecting advertising to be presented to the user based at least in part on the camera usage information and further comprising the step of downloading advertisement into the camera and displaying the advertisement on a camera display as well as further comprising the step of providing advertising via said contractual interface to said consumer based on personal information – in order to provide tailored advertising to the consumer. The combination of Zander, Segal and Enomoto discloses a method and system for offering a camera to a consumer via a contractual interface, which is the result of the consumer committing to a set number of purchases as well as restricting access as required and includes transferring and printing of the images. Therefore, one of ordinary skill in the art would have been motivated to extend the combination of Zander, Segal and Enomoto with the method and system of Frey to enable a method of

selecting of advertisements to be presented to a user based on camera usage information and further comprising the advertisements in the camera display as well as providing advertisements based on personal information. In this regard, the consumer will receive only advertising that they are most probably interested in, which will increase their satisfaction. With the increased satisfaction, the probability that the consumer will recommend the service to others will increase.

Claims 13 –18 are rejected under 35 U.S.C. 103(a) as being unpatentable over the combination of Zander, Segal and Enomoto as applied to claims 11 and 10 above, and further in view of Fichtner (US 6,360,362).

The combination of Zander, Segal, Enomoto and Steinberg substantially disclose and teach the applicant's invention.

However, the combination does not specifically disclose and teach a method further comprising modifying camera performance based at least in part on the camera usage information; and predicting camera battery life based at least in part on the number of pictures taken with the camera during a predetermined time period; and predicting when camera memory will be full based at least in part on the number of pictures taken with the camera during a predetermined time period; and modifying camera energy management based at least in part on -the number of pictures taken with the camera during a predetermined time period; and wherein at least a portion of the camera usage

information is stored in camera memory; and wherein at least a portion of the camera usage information is stored on a server associated with a Web site.

On the other hand and regarding claim 13, Fichtner teaches a method further comprising the step of modifying camera performance based at least in part on the camera usage information (see at least Abstract, Col 1, lines 11 – 53 and Col 7, line 65 as well as Col 8, line 27).

Regarding claim 14, Fichtner teaches a method, further comprising the step of predicting camera battery life based at least in part on the number of pictures taken with the camera during a predetermined time period (see at least Abstract, Col 1, lines 11 – 53 and Col 7, line 65 as well as Col 8, line 27).

Regarding claim 15, Fichtner teaches a method, further comprising the step of predicting when camera memory will be full based at least in part on the number of pictures taken with the camera during a predetermined time period (see at least Abstract, Col 1, lines 11 – 53 and Col 7, line 65 as well as Col 8, line 27).

Please note and regarding claim 16 and 17, the combination of Zander, Segal and Enomoto as well as Fichtner are silent regarding predicting when camera battery life or memory space will be exhausted based on the number of pictures taken during a predetermined time period. However, it is old and well known in the camera art to

display on a camera the number of pictures taken versus the total number of pictures possible, as well as displaying a low battery state of the camera. It would be obvious to one of ordinary skill in the art at the time of the invention to have provided the combination of Zander, Segal, Enomoto and Fichtner with the capability to predict the camera's condition based in displayed camera indicators of memory space exhaustion based on the number of pictures taken.

Regarding claim 18, Fichtner teaches a method as defined, wherein at least a portion of the camera usage information is stored on a server associated with a Web site (see at least Abstract, Col 1, lines 11 – 53 and Col 7, line 65 as well as Col 8, line 27).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the combination of Zander, Segal Enomoto with the method of Fichtner to have enabled modifying camera performance based at least in part on the camera usage information; and predicting camera battery life based at least in part on the number of pictures taken with the camera during a predetermined time period; and predicting when camera memory will be full based at least in part on the number of pictures taken with the camera during a predetermined time period; and modifying camera energy management based at least in part on the number of pictures taken with the camera during a predetermined time period; and wherein at least a portion of the camera usage information is stored in camera memory; and wherein at least a portion of the camera usage information is stored on a server associated with a Web site – in

order to automatically upgrade a camera's software and/or hardware, thereby ensuring that the upgrade is performed correctly. The combination of Zander, Segal and Enomoto discloses a method and system for offering a camera to a consumer via a contractual interface, which is the result of the consumer committing to a set number of purchases as well as restricting access as required and includes transferring and printing of the images. Therefore, one of ordinary skill in the art would have been motivated to extend the combination of Zander, Segal and Enomoto with the method and system of Fichtner to modifying camera performance based on usage and predicting camera battery life as well as predicting camera memory will be consumed and camera usage information is stored on Web server. With these capabilities, the customer's satisfaction will be increased, which will increase the probability of increased sales as well as the consumer recommending this service to others.

Claims 48, 49, 69, 70, 89 and 90 are rejected under 35 U.S.C. 103(a) as being unpatentable over the combination of Zander, Segal and Enomoto as applied to claim 46 above, and further in view of Goldhaber (US 5,794,210)).

The combination of Zander, Segal and Enomoto substantially disclose and teach the applicant's invention.

However, the combination does not specifically disclose and teach a method further comprising the step of providing advertising via said contractual interface to said

consumer based on personal information and further comprising the step of providing coupons via said contractual interface to said consumer based on personal information.

On the other hand and regarding claim 48 and related claim 89, Goldhaber teaches a method further comprising the step of providing advertising via said contractual interface to said consumer based on personal information (Col 7, lines 28 - 31).

Regarding claim 49 and related claims 70 and 90, Goldhaber teaches a method further comprising the step of providing coupons via said contractual interface to said consumer based on personal information (Abstract and Col 8,lines 24 – 39 and Col 11, lines 55 – 57).

Regarding claim 69, Goldhaber teaches a camera distribution system further comprising an advertising provider in communication with the consumer database and said consumer to convey advertising information to said consumer based on said personal information through said image reproductions in return for credit toward said commitment for image reproductions (see at least Abstract).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the combination of Zander, Enomoto and Segal with the method of Goldhaber to have enabled a method further comprising the step of providing advertising via said contractual interface to said consumer based on personal

information and further comprising the step of providing coupons via said contractual interface to said consumer based on personal information – in order to have provided the user with advertisements and coupons of interest. The combination of Zander, Segal and Enomoto discloses a method and system for offering a camera to a consumer via a contractual interface, which is the result of the consumer committing to a set number of purchases as well as restricting access as required and includes transferring and printing of the images. Therefore, one of ordinary skill in the art would have been motivated to extend the combination of Zander, Segal and Enomoto with the method and system of Goldhaber to provide advertising via said contractual interface to said consumer based on personal information and further comprising the step of providing coupons via said contractual interface to said consumer based on personal information and thereby providing the user with advertisements and coupons of interest. Thus, the presented advertising and coupons are tailored to the shoppers needs only, which will increase their satisfaction as a result of not receiving advertisements of no interest. With this increased satisfaction as a result of receiving tailored advertise, the probability that the shopper will return for additional shopping will be increased.

Claims 53, 74 and 94 are rejected under 35 U.S.C. 103(a) as being unpatentable over the combination of Zander, Segal and Enomoto as applied to claims 1, 57 and 77 above, and further in view of “Kodak Tries to Inspire More Picture-Taking In India with Rentals”, by Rasul Bailay, Asia Wall Street Journal; New York; Jan.15, 1999 (hereafter referred to as “Kodak”).

The combination of Zander, Enomoto and Segal substantially disclose and teach the applicant's invention.

However, the combination does not specifically disclose and teach a method, wherein the camera provider and image processor are associated with the manufacturer.

On the other hand, Kodak teaches a method, wherein the camera provider and image processor are associated with the manufacturer (Page 2).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the combination of Zander, Segal and Enomoto with the method of Kodak to have enabled a method, wherein the camera provider and image processor are associated with the manufacturer – in order to ensure close cooperation. The combination of Zander, Segal and Enomoto discloses a method and system for offering a camera to a consumer via a contractual interface, which is the result of the consumer committing to a set number of purchases as well as restricting access as required and includes transferring and printing of the images. Therefore, one of ordinary skill in the art would have been motivated to extend the combination of Zander, Segal and Enomoto with the method and system of Kodak where a camera provider and image processor are associated with the manufacturer.

Claims 54, 75 and 95 are rejected under 35 U.S.C. 103(a) as being unpatentable over the combination of Zander, Segal and Enomoto as applied to claim 46 above, and further in view of Watanabe (US 6,578,072 B2).

The combination of Zander, Enomoto and Segal substantially disclose and teach the applicant's invention.

However, the combination does not specifically disclose and teach a method further comprising the step of reviewing by the consumer of said images acquired by said camera; and selecting desired images acquired by said camera for reproduction.

On the other hand and regarding claim 54 and related claims 75 and 95, Watanabe teaches a method further comprising the step of reviewing by the consumer of said images acquired by said camera; and selecting desired images acquired by said camera for reproduction (see at least Abstract).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the combination of Zander, Segal and Enomoto with the method of Watanabe to have enabled further comprising the step of reviewing by the consumer of said images acquired by said camera; and selecting desired images acquired by said camera for reproduction – in order to enable the consumer to review. The combination of Zander, Segal and Enomoto discloses a method and system for offering a camera to

a consumer via a contractual interface, which is the result of the consumer committing to a set number of purchases as well as restricting access as required and includes transferring and printing of the images. Therefore, one of ordinary skill in the art would have been motivated to extend the combination of Zander, Segal and Enomoto with the method and system of Watanabe further comprising a step of reviewing by the consumer of the images and selecting desired images. As a result, the consumer with this added capability and convenience would be most satisfied. The consumer satisfaction with the service will increase the probability that they will return again for additional requirements.

Claim Rejections - 35 USC § 103

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claims 40 and 41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Zander (US 5,963,752) in view of Segal (US 6,167,251) and further in view of “Kodak Tries to Inspire More Picture-Taking In India with Rentals”, by Rasul Bailay, Asia Wall Street Journal; New York; Jan.15, 1999 (hereafter referred to as “Kodak”).

Regarding claim 40 (Currently Amended) and related claim 41, Zander teaches a method for providing a camera, comprising: creating a contractual interface to couple a

camera distributor with a consumer, said contractual interface functions by terms for (Abstract and Col 5, lines 46 – 50).

Although Zander discloses a contractual interface to couple a camera distributor with a consumer, the reference however, does not specifically disclose and teach offering via said contractual interface by a camera distributor said camera for a commitment by the consumer to purchase at least a first amount of image reproductions via said contractual interface within a selected amount of time. Nor does Zander disclose and teach a method of committing via said contractual interface by said consumer for the purchase of at least the first amount of image reproductions within the selected amount of time.

On the other hand, Segal teaches a method of offering via said contractual interface by a camera distributor said camera for a commitment by the consumer to purchase at least a first amount of image reproductions via said contractual interface within a selected amount of time; committing via said contractual interface by said consumer of the purchase of at least the first amount of image reproductions within the selected amount of time (see at least Col 1, lines 16 – 58 and Col 12, lines 25 – 44). Please note that Segal does not disclose a camera, rather a cellular phone. However, Segal does disclose a method for offering a physical device such as cell phone or could be a camera for a commitment to purchase at least a first amount of image reproductions or in this case air time and committing by said consumer to purchase at least the first

amount of image reproductions with the selected amount of time. Furthermore, online methods and systems for offering a physical device such as a camera that a kind/type including such specifics as "camera" are given little patentable weight. The phrase(s) and or word(s) are given little patentable weight because the claim language limitation is considered to be non-functional descriptive material, which does not patentably distinguish the applicant's invention from Segal. Thereby, the non-fictional descriptive material is directed only to the product – a camera and which could also be a cellular phone and therefore does not affect either the structure or method/process of Segal, which leaves the method and system unchanged. Additionally, the applicant stated in the amendment that "the major features of the invention, which is a novel system and method – "where a camera provider offers to provide cameras, such as digital cameras or film cameras, to consumers free or at a discount cost in exchange for the purchase of certain number of image reproductions or prints" is old and well known. For example, Segal does address all the above method steps in terms of incentivizing a consumer to buy a product – which they receive upfront. For example, Segal does address all the above method steps in terms of incentivizing a consumer to buy a product – which they receive upfront for free or reduced fee, if they commit to a contractual arrangement to purchase an additional number of items/photos or minutes (see at least Segal Col 1, lines 55 – 58 and Col 9, lines 13 - 56). Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the method and system disclosed by Segal to include offering a digital camera to a consumer if they commit to purchase a specific number of photographs. In this manner the consumer's

satisfaction will be increased due to obtaining a camera, which will increase the probability that they will recommend the service to others and take more photographs. In addition, the camera maker will increase the probability of distributing more cameras as well as the developer increasing their business as well.

It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the method of Zander with the method of Segal for offering via said contractual interface by a camera distributor said camera for a commitment by the consumer to purchase at least a first amount of image reproductions via said contractual interface within a selected amount of time; committing via said contractual interface by said consumer of the purchase of at least the first amount of image reproductions within the selected amount of time – in order to provide a device such as camera for the consumer agreeing to purchase a first amount of images as well as limiting the consumer access. Zander discloses creating a contractual interface to couple a camera/device with a consumer (Col 5, line 49). Segal discloses offering a camera/device to a consumer for a commitment to purchase an initial quantity of product within a given amount of time as well as restricting access (Col 1, lines 16 – 58 and Col 12, lines 25 – 44). In that regard, one of ordinary skill in the art would have been motivated to combine the method and system of Zander with the method and system of Segal to enable offering a camera to consumer for a commitment of purchasing a set amount of product such as images and restricting access as required.

In that regard, the provider will be assured of recovering at least their cost, which ensure that they can continue the offer for consumers.

The combination of Zander and Segal substantially disclose and teach the applicant's invention.

However, the combination does not specifically disclose and teach a method for receiving by said camera distributor said camera from a camera manufacturer at a first price; providing via said contractual interface the camera to a consumer at a second price; receiving payment via said contractual interface from the consumer for image reproductions of images captured with the camera; providing via said contractual interface said reproductions of images to said consumer; and paying the camera manufacturer at least a first amount based at least in part on the payment received from the consumer.

On the other hand, Kodak teaches a method for receiving by said camera distributor said camera from a camera manufacturer at a first price (Page 1 and 2); providing via said contractual interface the camera to a consumer at a second price (Page 1 and 2); receiving payment via said contractual interface from the consumer for image reproductions of images captured with the camera (Page 1 and 2); providing via said contractual interface said reproductions of images to said consumer (Page 1 and 2);

and paying the camera manufacturer at least a first amount based at least in part on the payment received from the consumer (Page 1 and 2).

It would have been obvious to one of ordinary skill in the art at the item of the invention to have provided the combination of Zander and Segal with the method of Kodak to have enabled for receiving by said camera distributor said camera from a camera manufacturer at a first price; providing via said contractual interface the camera to a consumer at a second price; receiving payment via said contractual interface from the consumer for image reproductions of images captured with the camera; providing via said contractual interface said reproductions of images to said consumer; and paying the camera manufacturer at least a first amount based at least in part on the payment received from the consumer – in order to have a classic distribution model established devices such as camera. The combination of Zander and Segal disclose a method and system for offering a camera/device to consumer for a commitment of purchasing a set amount of product such as images. Kodak discloses a classic distribution model in which a manufacturer provides a camera to a distributor for a price as well as the distributor making the device available to the consumer at a second price as well as paying the manufacturer based on the device usage. Thereby, one of ordinary skill in the art would have been motivated to combine Zander and Segal with Kodak to have established a classic distribution model in which a manufacturer provides a camera to a distributor for a price as well as the distributor making the device available to the

consumer at a second price as well as paying the manufacturer based on the device usage.

Response to Arguments

Applicant's arguments filed 03-02-04 have been fully considered but they are not persuasive. Please note that a "traverse" is a denial of an opposing party's allegations of fact.¹ The Examiner respectfully submits that applicants' arguments and comments do not appear to traverse what Examiner regards as knowledge that would have been generally available to one of ordinary skill in the art at the time the invention was made. Even if one were to interpret applicants' arguments and comments as constituting a traverse, applicants' arguments and comments do not appear to constitute an adequate traverse because applicant has not specifically pointed out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. 27 CFR 1.104(d)(2), MPEP 707.07(a). An adequate traverse must contain adequate information or argument to create on its face a reasonable doubt regarding the circumstances justifying Examiner's notice of what is well known to one of ordinary skill in the art. In re Boon, 439 F.2d 724, 728, 169 USPQ 231, 234 (CCPA1971).

¹ Definition of Traverse, Black's Law Dictionary, "In common law pleading, a traverse signifies a denial."

If applicant does not seasonably traverse the well known statement during examination, then the object of the well known statement is taken to be admitted prior art. In re Chevenard, 139 F.2d 71, 60 USPQ 239 (CCPA 1943). MPEP 2144.03 Reliance on Common Knowledge in the Art or "Well Known" Prior Art. In view of applicant's failure to adequately traverse official notice, the following are admitted prior art:

0 Please note Zander does not specifically refer to a contract. However, Zander does state a rental option (Col 5, line 49). In that regard, it is old and well known to one of ordinary skill in the art at the time of the invention that to rent a camera, the merchant is going to require a rental agreement (i.e. contractual relationship via a contractual interface), which will stipulate a return date as well as an amount for the rental, which includes late return fees.

0 Regarding claim 8 and related claims 64 and 84, Enomoto teaches a method, further comprising the step of receiving in association with at least one of said images with restricted access, at least one of ISO equivalency information, aperture setting information, and shutter speed information. Please note that Enomoto is silent regarding receiving in association with at least one of said images with restricted access, at least one of ISO equivalency information, aperture setting information, and shutter speed information. It is old and well-known for digital camera's to provide the capability to allow images to be displayed on the camera (please see Parulski US 6,573,927 B2) and to provide information about films and cameras when submitting a film order for photo processing, such as whether the camera is a 135 mm type, and it would have been

obvious to one of ordinary skill to provide such camera with display capabilities as well as information such as ISO equivalency to aid in better print processing of an order or image reproduction by a photo processor and increase consumer satisfaction, which thereby will increase the probability that the consumer will return for additional purchases.

0 Please note and regarding claim 16 and 17, the combination of Zander, Segal and Enomoto as well as Fichtner are silent regarding predicting when camera battery life or memory space will be exhausted based on the number of pictures taken during a predetermined time period. However, it is old and well known in the camera art to display on a camera the number of pictures taken versus the total number of pictures possible, as well as displaying a low battery state of the camera. It would be obvious to one of ordinary skill in the art at the time of the invention to have provided the combination of Zander, Segal, Enomoto and Fichtner with the capability to predict the camera's condition based in displayed camera indicators generated from, in the case of a digital camera, data stored in the camera's memory.

0 regarding claims 31 - Please note, Zander is silent to the business entity providing the camera. However, it is old and well known that the provider could have been a print house as well as the camera manufacturer and is reflected in the business entity assignee for the Zander patent. Therefore, it would have been obvious to have either a print house or a manufacturer to provide the camera as part of the incentive program.

0 (37) wherein the user is charged an additional fee if the camera is not returned within a predetermined amount of time. Please note Zander is silent regarding charging additional fee for late returns of the camera. However, Zander does describe, "renting" a camera and it is old and well known that a consumer is charged an additional fee if the rented item is returned late. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to have rental agreement include a late fee charge – in order to ensure timely returns.

0 Additionally, the applicant stated in the amendment that "the major features of the invention, which is a novel system and method – "where a camera provider offers to provide cameras, such as digital cameras or film cameras, to consumers free or at a discount cost in exchange for the purchase of certain number of image reproductions or prints" is old and well known. For example, Segal does address all the above method steps in terms of incentivizing a consumer to buy a product – which they receive upfront for free or reduced fee, if they commit to a contractual arrangement to purchase an additional number of items/photos or minutes (see at least Segal Col 1, lines 55 – 58 and Col 9, lines 13 - 56). Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the method and system disclosed by Segal to include offering a digital camera to a consumer if they commit to purchase a specific number of photographs. In this manner the consumer's satisfaction will be increased due to obtaining a camera, which will increase the probability that they will recommend the service to others and take more photographs. In addition, the camera

maker will increase the probability of distributing more cameras as well as the developer increasing their business as well.

0 regarding claims 32, Zander and Segal do not specifically mention a distributor providing a manufacturer a fee/markup based on image reproduction sales. However, it is old and well known for distributors and manufacturers to establish contract agreements based on each marketplace's most efficient channels of distribution - to best service the consumer(s) and to ensure product sales for the purpose of mutual revenue generation. Therefore it would be obvious for a distributor and/or manufacturer to establish such a contract in order to increase current and future sales for both parties and share profits.

0 regarding claim 39(Original), Zander and Segal are silent regarding "wherein an additional fee is charged for orders costing more than the first fee". It is old and well known that the customer who increases their order such as having additional prints made or additional minutes – will pay more fee when the order is outside or in addition to a previous order and/or agreement. In that regard, it would have been obvious to one of ordinary skill in the art at the time of the invention to have provided the method of Zander and Segal with capability as with any commercial transaction to increase fees on orders as warranted.

With regard to applicants arguments:

1. Applicant argues that the rejection for all the claims and especially the independent claims were based on the fact that each reference cited is lacking certain claim limitations.

In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). In this case, the combination of Zander, Segal and Enomoto disclose and teach all limitations for the independent claims. This combination of Zander, Segal and Enomoto – when combined with the other cited references discloses and teaches all other limitations and these are fully addressed in the above rejection.

2. There is not sufficient basis for concluding that the combination of these references addressing the claim limitations would have been obvious to one of ordinary skill in the art.

Further in response to applicant's arguments that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir.

1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, the motivation to combine was provided in the above rejection.

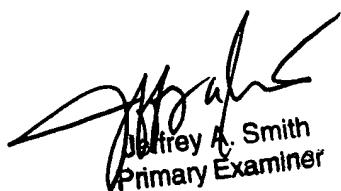
Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Rob Rhode whose telephone number is 703.305.8230. The examiner can normally be reached on M-F 7:30am - 4:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeff Smith can be reached on 703.308.3588. The fax phone number for the organization where this application or proceeding is assigned is (703) 872-9306.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703.306.1113.

RER



Jeffrey A. Smith
Primary Examiner